

FUND DESCRIPTION

PFLEX seeks to provide attractive risk-adjusted returns and current income. The Fund takes a flexible approach to investing across a broad opportunity set of credit sectors, including consumer, corporate and mortgages. PFLEX can provide access to less liquid and potentially higher yielding opportunities given the interval fund structure.

PERFORMANCE SUMMARY

Returns as of 31 December 2023	1m	3m	YTD	1yr	3yr	5yr	S.I.*
PFLEX, net (%)	2.98%	5.83%	8.30%	8.30%	1.32%	3.63%	4.45%
PFLEX, gross (%)	3.16%	6.38%	10.58%	10.58%	3.45%	5.78%	6.56%

Performance quoted represents past performance, which is not a guarantee or a reliable indicator of future results. Investment return and principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. Current performance may be lower or higher than performance shown. For performance current to the most recent month-end, visit www.pimco.com or call (888) 87-PIMCO.

MARKET COMMENTARY

In **financial markets**, the **all-asset rally continued** with performance elevated across the board. The S&P 500¹, emerging market debt², high yield³, and bank loans⁴ indices returned 4.5%, 4.8%, 3.7%, and 1.6% respectively.

Delinquencies rose across most mortgage subsectors in December. Delinquency rates in conduit CMBS increased 0.1% in December to 3.9%, while SASB⁷ remained flat at 3.0%. Legacy non-agency RMBS⁵ spreads tightened during the month alongside CMBS⁶ spreads, as they continued their rally. Private-label CMBS issuance in December totaled \$4.1bn, bringing 2023 issuance to \$46.1bn (including \$19.7bn in conduit and \$19.6 in SASB), down -58% vs 2022⁸.

High yield bond yields and spreads decreased 76bps and 36bps to 7.8% and 377bps, respectively. In December investors saw triple C (+5.50%) outperforming B (+3.57%) and double B bonds (+3.14%). 2023 was the strongest year for high yield bonds since 2019.

High yield capital market activity slowed compared to November with monthly issuance totaling \$13.2bn. Overall, 2023 high yield issuance totaled \$175.9bn compared to \$106.5bn in 2022. Institutional loan issuance saw the second most active month since November 2021, with \$52.5bn during the month. 2023 institutional loan volume totaled \$370.1bn which is up +47% over \$252.5bn in 2022.

High yield funds saw inflows of \$2.7bn in December, the sixth inflow month during the year. 2023's outflows for high yield totaled -\$7.9bn.

Default activity was the **lightest since October 2022**, with \$1.0bn in loans across one default and two distressed exchanges. 2023's combined total of \$83.7bn of defaults/distressed exchanges is a 75% increase y/y and is the fourth largest annual total on record. 41 companies defaulted and 47 companies completed a distressed exchange. Including distressed exchanges, the par-weighted U.S. high yield bond rate increased 4bps to 2.8% and the loan default rate remained flat at 3.2%, compared to the long-term averages of 3.4% for high yield and 3.0% for loans⁸.

*Fund inception: February 22, 2017. Institutional class shares have no sales charge. Historical performance may have been positively impacted by fee waivers or expense limitations in place during some or all of the periods shown, if applicable. Future performance (including total return or yield) and distributions may be negatively impacted by the expiration or reduction of any such fee waivers or expense limitations.

All data is as of 12/31/23 and source is PIMCO unless otherwise indicated. Outperformance does not necessarily mean positive returns.

¹ S&P 500 Index

² JPMorgan EMBI Global Total Return Index

³ ICE BofA U.S. High Yield Index

⁴ JPMorgan Leveraged Loan Index

⁵ RMBS = Residential Mortgage Backed Securities

⁶ CMBS = Commercial Mortgage Backed Securities

⁷ SASB = Single-Asset / Single-Borrower CMBS

⁸ J.P. Morgan

PERFORMANCE ATTRIBUTION

Sector	MTD	YTD
Residential Mortgage	+++	+++
U.S. Residential Mortgage	+++	+++
Non-U.S. Residential Mortgage	+	++
Commercial Real Estate	-	+
CMBS / Other	-	+
Loans	0	+
Corporate	+++	+++
Leveraged Credit/Special Situations	+++	+++
Bank Capital	+	++
Specialty Finance	0	+++
Other	-	---
Emerging Markets	+	---
Other	--	---
Total	+++	+++

PORTFOLIO HIGHLIGHTS

Residential

U.S. legacy non-Agency RMBS positions contributed as spreads tightened over the month

Commercial

CMBS positions detracted amidst continued volatility in commercial real estate markets

Corporate

A special situations investment in a U.S. healthcare provider that operates surgical centers contributed as the company emerged from bankruptcy as a standalone company

A special situations positions in a telecom company contributed as the company posted sequential revenue growth and EBITDA acceleration

Specialty Finance

Allocation to specialty finance was flat over the month, as negative performance across student and auto loan asset-backed securities was offset by resilient income from legacy collateralized debt obligations and debentures linked to iron ore royalties

Other

External emerging market debt positions contributed to performance as spreads tightened for the second month in a row

"+++/--" denotes magnitude of impact greater than 100bps, "++/--" denotes magnitude of impact greater than 50bps, "+/-" denotes magnitude of impact greater than 5bps and below 50bps, "0" denotes magnitude of impact of 0 – 5bps.

Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

The attribution analysis is calculated by PIMCO and is intended to provide an estimate as to which elements of a strategy contributed (positively or negatively) to a portfolio's performance. Attribution analysis is not a precise measure and should not be relied upon for investment decisions. Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

FUND PROFILE

Fund AUM	\$2,797 million	Total Effective Leverage	40.67%
Inception Date	22 February 2017	Preferred Shares	0.00%
Distribution Rate	9.41% ⁹	Reverse Repurchase Agreements	40.06%
Duration	3.42	Floating Notes Issued	0.00%
Gross Expense Ratio	5.36%	Credit Default Swaps	0.61%
Adjusted Expense Ratio	2.22%	The Adjusted Expense Ratio excludes certain investment expenses, such as interest expense from borrowings and repurchase agreements and dividend expense from investments on short sales, incurred directly by the Fund or indirectly through the Fund's investments in underlying PIMCO Funds (if applicable), none of which are paid to PIMCO.	

FUND PERFORMANCE SUMMARY

Monthly Returns for Fund (Net, %)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	2.88%	-0.81%	-1.68%	1.02%	0.37%	-0.33%	1.05%	0.51%	-0.66%	-1.30%	4.12%	2.98%	8.30%
2022	-1.38%	-1.86%	-0.95%	-1.91%	-1.75%	-5.83%	2.46%	0.33%	-4.04%	-0.56%	1.33%	-0.19%	-13.53%
2021	1.62%	1.67%	0.34%	1.87%	1.47%	1.37%	0.70%	0.97%	0.24%	-0.56%	-0.91%	1.89%	11.08%
2020	0.91%	-0.31%	-20.00%	1.88%	3.17%	3.96%	3.91%	3.22%	0.74%	0.79%	5.46%	2.90%	4.07%
2019	2.04%	1.37%	0.61%	0.89%	0.55%	1.85%	0.07%	-1.96%	1.15%	0.90%	0.47%	2.17%	10.42%
2018	1.06%	0.73%	-0.05%	0.56%	-0.17%	-0.46%	1.76%	0.56%	0.91%	-0.26%	-1.02%	-0.95%	2.67%
2017	-	0.20%*	0.63%	1.21%	1.70%	0.56%	1.20%	0.80%	1.37%	1.34%	0.20%	0.23%	9.81%

*Partial Month Performance

**Fund inception: 22 February 2017

Since Inception Annualized Return** 4.45%

Since Inception Correlation

	US AGG	US HY Corp	S&P 500
Correlation with PFLEX	0.29	0.81	0.59

Portfolio Concentrations

Credit Vertical	Total	Private [^]	Public
Residential Mortgage	22%	2%	21%
Commercial Real Estate	18%	0%	17%
Corporate	33%	13%	20%
Specialty Finance	9%	5%	4%
Other	18%	6%	11%
Total	100%	26%	74%

[^]For purposes of this table, portfolio holdings in this Fund have been categorized, in PIMCO's discretion, as either "Private" or "Public" based on various factors including, among others, the investment's structure, method of origination and offering, trading frequency and history, and liquidity profile, and not strictly based on whether a holding is registered or publicly offered/traded for securities law purposes. These categorizations are made post-trade and do not factor into security selection or other portfolio management decisions made for the Fund.

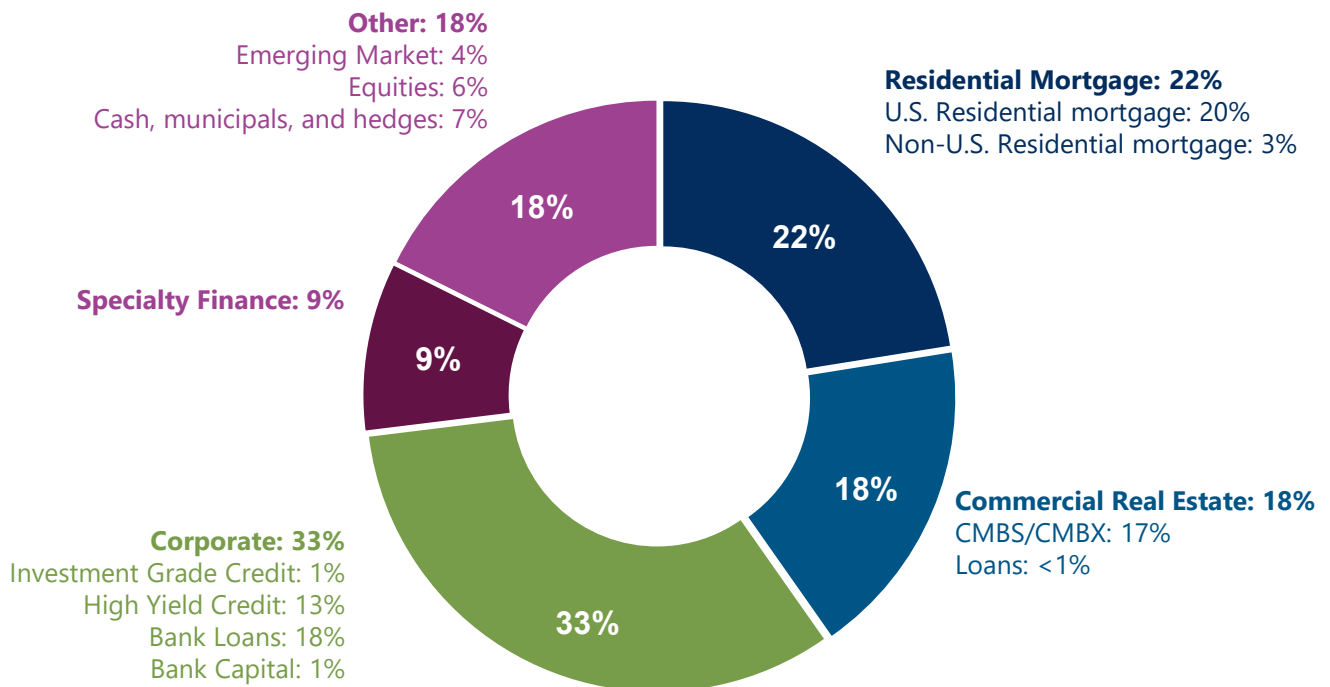
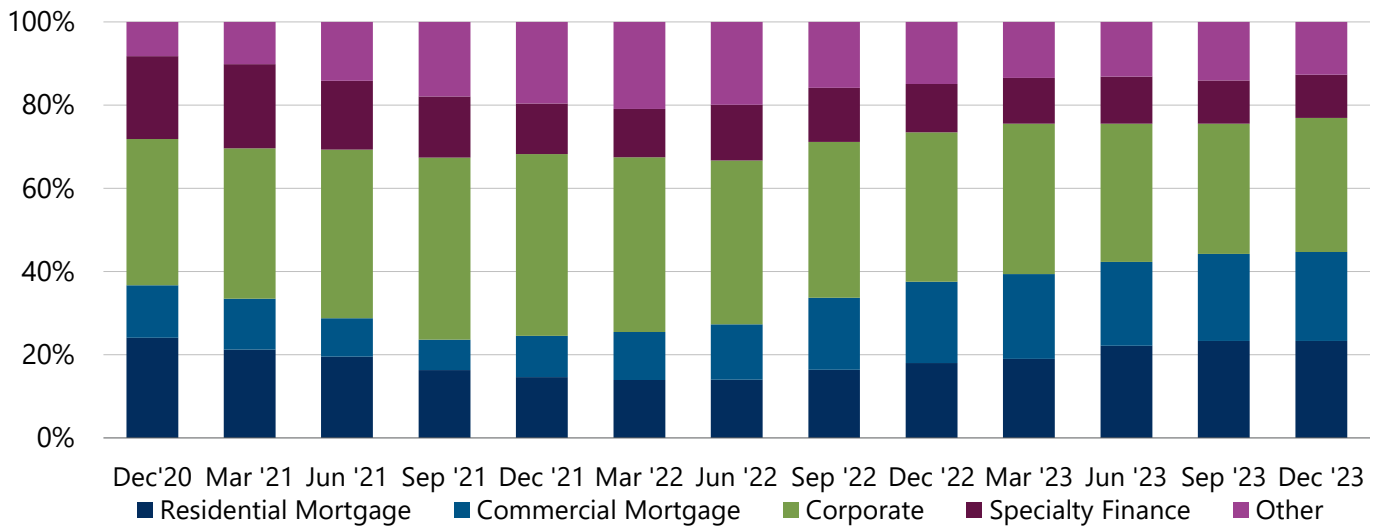
⁹PFLEX distributions for Institutional Class shares, as of 31 December 2023. Distributions are declared daily and paid monthly and the distribution rate is calculated by annualizing the most recent distribution per share (with such annualizing based on dividing the number of calendar days during the year by the number of calendar days over which the most recent distribution accumulated) and dividing it by the NAV as of the reported date. Distribution rate information is current as of the latest month end. The distribution rate is not estimated to include, and is not estimated to result in, a return of capital ("ROC"). Because a distribution may at times include a ROC, the distribution rate should not be confused with yield or performance. Please see the disclosures for additional information regarding distributions and the distribution rate.

Correlation shown in the table above is since Fund inception: 22 February 2017. Correlation is calculated based on monthly total returns net of fees. US Agg: Bloomberg U.S. Aggregate Index; US HY Corp: Bloomberg U.S. High Yield Bond Index. It is not possible to invest directly in an unmanaged index

Past performance is not a guarantee or a reliable indicator of future results.

All data is as of 12/31/23 and source is PIMCO unless otherwise indicated.

PORTFOLIO COMPOSITION



Portfolio structure is subject to change without notice and may not be representative of current or future allocations.

Performance in securitized investment strategies can be impacted from the benefits of purchasing odd lot positions. The impact of these investments can be particularly meaningful when funds have limited AUM, and may not be a sustainable source of performance as the fund grows in size.

Sources: Bloomberg; PIMCO.

All data is as of 12/31/23 unless otherwise indicated.

Investors should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. This and other information are contained in the fund's prospectus, which may be obtained by contacting your investment professional or PIMCO representative or by visiting www.pimco.com. Please read the prospectus carefully before you invest or send money.

The fund is an unlisted closed-end "interval fund." Limited liquidity is provided to shareholders only through the fund's quarterly offers to repurchase between 5% to 25% of its outstanding shares at net asset value (subject to applicable law and approval of the Board of Trustees, the Fund currently expects to offer to repurchase 5% of outstanding shares per quarter). Although interval funds provide limited liquidity to investors by offering to repurchase a limited amount of shares on a periodic basis, investors should consider shares of the Fund to be an illiquid investment.

Past performance is not a guarantee or a reliable indicator of future results. The performance figures presented reflect changes in share price and reinvestment of dividend and capital gain distributions. Institutional Class Common Shares do not have a sales charge.

Investments made by the Fund and the results achieved by the Fund are not expected to be the same as those made by any other PIMCO-advised Fund, including those with a similar name, investment objective or policies. A new or smaller Fund's performance may not represent how the Fund is expected to or may perform in the long-term. New Funds have limited operating histories for investors to evaluate and new and smaller Funds may not attract sufficient assets to achieve investment and trading efficiencies.

It is important to note that differences exist between the Fund's daily internal accounting records, the fund's financial statements prepared in accordance with U.S. GAAP, and reporting practices under income tax regulations. It is possible that the Fund may not issue a Section 19 Notice in situations where the Fund's financial statements prepared later and in accordance with U.S. GAAP or the final tax character of those distributions might later report that the sources of those distributions included capital gains and/or a return of capital. Please see the fund's most recent shareholder report for more details.

The Fund's distribution rate may be affected by numerous factors, including, but not limited to, changes in realized and projected market returns, Fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the Fund distribution rate at a future time. Distribution rates are not performance. The distribution rate is calculated by annualizing the most recent distribution per share (with such annualizing based on dividing the number of calendar days during the year by the number of calendar days over which the most recent distribution accumulated) and dividing it by the NAV as of the reported date. Distributions may be comprised of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the fund. Because a distribution may include a ROC, the distribution rate should not be confused with yield or performance. Please refer to the most recent Section 19 Notice, if applicable, for additional information regarding the estimated composition of distributions. Final determination of a distribution's tax character will be sent to shareholders when such information is available.

There is no assurance that any fund, including any fund that has experienced high or unusual performance for one or more periods, will experience similar levels of performance in the future. High performance is defined as a significant increase in either 1) a fund's total return in excess of that of the fund's benchmark between reporting periods or 2) a fund's total return in excess of the fund's historical returns between reporting periods. Unusual performance is defined as a significant change in a fund's performance as compared to one or more previous reporting periods.

A word about risk: Investing in the **bond market** is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and volatile than those with shorter durations; bond prices generally fall as interest rates rise, and low interest rate environments increase this risk. Reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility. Bond investments may be worth more or less than the original cost when redeemed. Investing in **foreign denominated and/or domiciled securities** may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in **emerging markets**.

Mortgage-related assets and other asset-backed instruments may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee, there is no assurance that private guarantors will meet their obligations. **High yield, lower-rated, securities** involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. **Equities** may decline in value due to both real and perceived general market, economic, and industry conditions. **Bank loans** are often less liquid than other types of debt instruments and general market and financial conditions may affect the prepayment of bank loans, as such the prepayments cannot be predicted with accuracy. There is no assurance that the liquidation of any collateral from a secured bank loan would satisfy the borrower's obligation, or that such collateral could be liquidated.

Investments in **distressed loans and bankrupt companies** are speculative and the repayment of default obligations contains significant uncertainties. The value of **real estate** and portfolios that invest in real estate may fluctuate due to: losses from casualty or condemnation, changes in local and general economic conditions, supply and demand, interest rates, property tax rates, regulatory limitations on rents, zoning laws, and operating expenses. **Structured products** such as collateralized debt obligations are also highly complex instruments, typically involving a high degree of risk; use of these instruments may involve derivative instruments that could lose more than the principal amount invested. **Derivatives** may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. Leveraging transactions, including borrowing, typically will cause a portfolio to be more volatile than if the portfolio had not been leveraged. Leveraging transactions typically involve expenses, which could exceed the rate of return on investments purchased by a fund with such leverage and reduce fund returns. The use of **leverage** may cause a portfolio to liquidate positions when it may not be advantageous to do so. Leveraging transactions may increase a fund's duration and sensitivity to interest rate movements.

An investment in an **interval fund** is not appropriate for all investors. Unlike typical closed-end funds an interval fund's shares are not typically listed on a stock exchange. Although interval funds provide limited liquidity to investors by offering to repurchase a limited amount of shares on a periodic basis, investors should consider shares of the Fund to be an illiquid investment. Investments in interval funds are therefore subject to **liquidity risk** as an investor may not be able to sell the shares at an advantageous time or price. There is also **no secondary market** for the Fund's shares and none is expected to develop. **There is no guarantee that an investor will be able to tender all or any of their requested Fund shares in a periodic repurchase offer.**

The correlation of various indexes or securities against one another or against inflation is based upon data over a certain time period. These correlations may vary substantially in the future or over different time periods that can result in greater volatility.

There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor should evaluate their ability to invest for a long-term especially during periods of downturn in the market. Investors should consult their investment professional prior to making an investment decision. An investment in the Fund is speculative involving a high degree of risk, including the risk of a substantial loss of investment.

PIMCO as a general matter provides services to qualified institutions, financial intermediaries and institutional investors. Individual investors should contact their own financial professional to determine the most appropriate investment options for their financial situation. This material contains the current opinions of the manager and such opinions are subject to change without notice. This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America LLC in the United States and throughout the world. ©2024, PIMCO.

PIMCO Investments LLC, distributor, 1633 Broadway, New York, NY 10019, is a company of PIMCO.

CMR2024-0118-3337356